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RUEHUJA/AMEMBASSY ABUJA 2323
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RUEHDS/AMEMBASSY ADDIS ABABA 3017
RUEHRL/AMEMBASSY BERLIN 1449
RUEHBY/AMEMBASSY CANBERRA 2280
RUEHDK/AMEMBASSY DAKAR 2647
RUEHKM/AMEMBASSY KAMPALA 3065
RUEHNR/AMEMBASSY NAIROBI 5508
RUEHGV/USMISSION GENEVA 2193
RHEHAAA/NSC WASHDC
RHMFISS/EUCOM POLAD VAIHINGEN GE
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RHEFDIA/DIA WASHDC
RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC

UNCLAS SECTION 01 OF 03 HARARE 000506

SIPDIS

AF/S FOR B. WALCH
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
NSC FOR SENIOR AFRICA DIRECTOR MICHELLE GAVIN
TREASURY FOR D. PETERS
STATE PASS TO USAID FOR LDOBBINS AND JHARMON
COMMERCE FOR BECKY ERKUL

E.O.12958: N/A
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SUBJECT: ZIM NOTES 06-19-09

SUMMARY - Topics of the week

- Tsvangirai Delegation Heads to Europe...
- Moyo Attacks Tsvangirai...
- Western Governments Declared Responsible for "Sticking Issues"...

- Senior MDC-T Official Arrested for Perjury...
- Amnesty International Secretary General Slams Zim...
- Ambassador Bids Farewell to VP Mujuru...
- ... And Says Hello to the "First Lady of the Army"...
- WOZA Protesters Beaten, Arrested, Denied Medical Care...
- ZLHR Wins Another Major Award...
- Constitutional Outreach Starts Next Week...
- Massive Blackout Hits Zim...
- Gold and Economic Recovery...
- World Bank Mining Mission on its Way...
- Rate of Deflation Slows...
- Business Eager to Produce, but Still Thwarted...
- Cost of Registering a Company Falls...
- Quote of the Week:

On the Political/Social Front

11. Tsvangirai Delegation Heads to Europe... Following last week's visit to the U.S., Prime Minister Tsvangirai turned his attention to continental Europe, spending this week meeting with senior European officials. Justice Minister Chinamasa and Foreign Affairs Minister Mumbengegwi of ZANU-PF were both granted visas by the EU to attend the discussions after Mugabe threatened to cancel the trip if Zimbabwe was only to be represented by MDC officials. The EU response to the delegation has been welcoming, but tempered by persistent concerns of farm invasions and human rights abuses. After meeting with German Chancellor Merkel earlier in the week, the

German government pledged an additional US\$35 million of governance and food aid which will be channeled through the World Bank. Tsvangirai heads to the UK this weekend.

12. Moyo Attacks Tsvangirai... Former Minister of Information Jonathan Moyo attacked PM Tsvangirai in an online article this week, calling Tsvangirai's trip to the U.S. a "personal disaster" and "a complete waste of time." Moyo said Tsvangirai appeared as a supplicant and embarrassed Zimbabwe. He also attacked the new newsletter from the PM's office that hit the streets this week, saying it was clearly a "USAID pamphlet."

13. Western Governments Declared Responsible for "Sticking Issues" ... The Herald published its list of "sticking issues" this week. The ZANU-PF-controlled paper listed sanctions as the number one issue and declared MDC-T and Western governments responsible for resolving the issue. According to the list, MDC-T and Western governments are also responsible for the third issue, "pirate radio stations and hostile websites."

14. Senior MDC-T Official Arrested for Perjury... MDC-T Director General Tondepei Shonhe was arrested on June 16 on charges of perjury. He allegedly committed the offense in an affidavit submitted as part of a high court case involving the three MDC-T Qsubmitted as part of a high court case involving the three MDC-T activists who were re-abducted by police on June 2. Although granted bail by a magistrate, the AG's office, as it routinely does, appealed. Shonhe will remain in jail at least a week until the appeal is heard. See Harare 503.

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15. Amnesty International Secretary General Slams Zim... Amnesty International's Secretary General Irene Khan wrapped up a six-day visit to Zimbabwe on June 18. In a press conference in Harare, Khan noted the continued shortfalls of the inclusive government in improving human rights in Zimbabwe. Notably, she criticized elements of the MDC that are ignoring human rights concerns for "the sake of political expediency." See: www.amnesty.org/en/news-and-updates/news/without-justice-there-can-be-no-real-healing-in-zimbabwe-20090618.

16. Ambassador Bids Farewell to VP Mujuru... Ambassador McGee met with Vice President Joice Mujuru on Wednesday in advance of his departure in July. See Harare 500.

17. ... And Says Hello to the "First Lady of the Army" ... Jocelyn Chiwenga, wife of Army Commander General Constantine Chiwenga, phoned up Ambassador McGee this week to berate and threaten him. See Harare 502.

18. WOZA Protesters Beaten, Arrested, Denied Medical Care... During a Women of Zimbabwe Arise (WOZA) march in Bulawayo on Wednesday, eight were arrested on charges of disturbing the peace and three required medical treatment from police-inflicted injuries. The eight are expected to appear in court on June 19. In a second march in Harare on Thursday, five women were detained along with three journalists, including one from The Herald. The journalists and one woman were released, but the remaining four women were badly beaten by police and are being denied medical care and remain in the filthy police station. Police reportedly warned human rights lawyer Beatrice Mtetwa that police are considering bringing charges against Zimbabwe Lawyers for Human Rights (ZLHR) for "stage managing" the protests to "embarrass the country." The protests marked International Refugee Day, which WOZA marks annually, arguing Zimbabweans are like refugees in their own country.

19. ZLHR Wins Another Major Award... The 2009 American Bar Association (ABA) Rule of Law Award will be given to ZLHR at the ABA's Rule of Law meeting in Chicago on August 1. ZLHR lawyers are renowned for their courageous defense of Zimbabwe's human rights defenders in the face of significant threats and harassment by the government.

¶10. Constitutional Outreach Starts Next Week... The Parliamentary Select Committee announced this week that public meetings on the constitution will be held throughout Zimbabwe's 10 provinces between June 24 and 27. ZANU-PF has attempted to delay the process.

¶11. Massive Blackout Hits Zim... Most of Zimbabwe lost power on Monday night and early Tuesday after the country's two main power stations went down, reportedly due to a fault in Zambia. Power woes are likely to persist as regional power utilities threaten to cut off exports to Zimbabwe due to unpaid debts to regional power suppliers estimated at around US\$57 million. For its part, the Qsuppliers estimated at around US\$57 million. For its part, the Zimbabwe Electricity Supply Authority (ZESA) announced it will cut off power to local consumers who have not paid their bills (a flat US\$30/month for residents of high-density neighborhoods, whether they have had service or not) since February this year.

Economic and Business News

¶12. Gold and Economic Recovery... Allowing producers to market their gold at today's high world price, eliminating foreign exchange surrender requirements, plus a policy of no royalties on gold, have all helped position the industry to contribute to economic recovery. Nevertheless producers still lack capital due to the GOZ's US\$30

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million arrears to the industry and overall tight credit, power outages that led to the flooding of mines, and a lack of technical skills, though indications point to more mine workers now returning to Zimbabwe from developed countries than leaving. Gold production could double this year to 6-7 MT and increase further in 2010, but empowerment legislation needs to be more foreign-investor friendly as the sector cannot recapitalize on the domestic market alone. See Harare 499.

¶13. World Bank Mining Mission on its Way... A World Bank Mission will be in Zimbabwe from June 22-26 to assess challenges in reviving the mining sector and the need for technical assistance. The Mission will meet with mining companies, the mining ministry and other key government agencies to identify priority issues and actions. It will also hold discussions with cooperating partners on coordinated approaches to addressing the sector's needs.

¶14. Rate of Deflation Slows... The Central Statistical Office reported that the monthly rate of decline in consumer prices slowed from 1.1 percent in April to 0.1 percent in May. While food prices continued to fall, costs rose for utilities, fees for municipal services, transport and health care.

¶15. Business Eager to Produce, but Still Thwarted... Business leaders are eager to rebuild the economy and are much more optimistic about the future since introduction of dollarization and other policy changes earlier this year. In a series of meetings in Harare, Gweru, and Bulawayo this week with embassy staff, executives identified labor demands, access to and terms of credit, high utility costs, and the political environment as the main constraints on recovery.

¶16. Cost of Registering a Company Falls... The Ministry of Justice and Legal Affairs reduced company registration fees from US\$800-1,000 to a minimum US\$100 this week. While a welcome improvement, most informal traders have scant capital and will still not be able to formalize their businesses. Expanding the country's tax base continues to present a huge challenge to the revenue-strapped inclusive government.

¶17. Quote of the Week:

"Persistent and serious human rights violations, combined with a failure to introduce reform of the police, army and security forces or address impunity and the lack of clear commitment on some parts of the government, are real obstacles that need to be confronted... Whenever we raised the issue of human rights change, the government answered that it needed more resources. Ending attacks on human

rights defenders, lifting restrictions on the media, and allowing public protests do not require money - they only require political will."

-- Amnesty International Secretary General Irene Khan, in a press release issued at the end of her six-day visit to Zimbabwe on June 18, 2009.

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